

## **RALEIGH-DURHAM AIRPORT AUTHORITY**

### ***MINUTES***

*September 20, 2001*

Chairman Gibbs presided. Present: members Clancy; Lane; Sparrow; Teer; Toler and Winston. Absent: member Parker. Also present: Airport Director Brantley; Deputy Director, Operations Shackelford; Director, Customer Service & Organizational Support Damiano; Director, Major Capital Improvements Program Powell; Deputy Director, Finance, Business & Administration Gill; Deputy Director, Facilities Engineering & Maintenance Pittman; Finance Director Barritt; Emergency Services Manager Thompson; Ground Transportation Manager Odom; Director of Administration Umphrey; Senior Program Manager Edmondson; Program Manager Quesenberry; Communications Manager Kossoff; Environmental Manager Gilkinson; Ground Transportation Coordinator Nye; Customer Relations Supervisor Kawiecki; Program Manager Cayton; Information Technology Manager Schiller; Training Supervisor Bell; Training Officer Harleston; Parking Manager White; Maintenance Manager Fulp; Public Transportation Supervisor Kiser; Senior Auditor Jordan; Information Technology Technician Oldham; Properties & Insurance Officer Quinn; Noise Officer Tovar; Business Development Officer Hairston; Accountant Marion; Project Manager Malcolm; Accounting Technician Schick; Purchasing Officer Thompson; Environmental/Noise Technician Rebar; Visitor Services Supervisor Creech; Administrative Assistant Gray; Executive Assistant Mitchell and Attorney Tatum.

Guests: Richard Strandling, The News & Observer; Paul Gallagher, Triangle Business Journal; Tom Lawrence, WRAL-TV; and Reverend Dennis Stiles.

On September 11, 2001, the Twin Towers of the World Trade Center Complex in New York City and part of the south side of the Pentagon in Washington, D.C. were destroyed as a result of terrorist acts. To date, over 5,000 people are believed to have perished. At approximately 9:50 am on September 11, the Federal Aviation Administration instructed Raleigh-Durham International Airport to suspend all outbound flights. The FAA suspended all civil air traffic and brought the nation's air transportation system to a halt. RDU was closed for business for nearly three days. The Airport reopened at 5:00 pm on Thursday, September 13, 2001, for limited flight operations.

Chairman Gibbs asked Reverend Stiles to say a short prayer in remembrance of the events of and those whose lives were lost on September 11, 2001.

**APPROVAL OF AGENDA** – There were no changes or additions to the agenda, and it was approved as submitted.

**APPROVALS OF MINUTES** – There were no changes to the minutes of the August 16, 2001 meeting, and they were approved as submitted.

**CHAIRMAN'S COMMENTS** – Chairman Gibbs thanked Deputy Director Shackelford and members of the Authority staff for doing a superb job in closing the airport at the direction of the Federal Aviation Administration on September 11. RDU remained closed to the public for nearly three days. Chairman Gibbs extended his appreciation for the time and effort it took to coordinate the reopening of the Airport, particularly in the absence of the Airport Director. Airport Director Brantley, two staff members and four Authority members were in Montreal, Canada attending the Airports Council International annual

conference and could not return until Friday morning, September 14.

**LAW, FINANCE & PERSONNEL COMMITTEE** – Member Winston reported the Committee met on September 19, 2001 and discussed the following items:

1. Consideration of a mid-year adjustment in the airline landing fee to offset the effects of the Midway Airlines bankruptcy filing and reduction in air service on landing fee collections and revenue for FY 2001-02. Airport Director Brantley reported that under federal law the Authority is permitted to recover airfield costs that are attributable to the airlines through landing fees. Landing fee rates are set based on the estimated aircraft landed weight during the upcoming year. This year the Authority is not going to fully recover the airfield costs attributable to the airlines due to Midway Airlines' bankruptcy filing and reduction in (and subsequent termination of) air service. Therefore, staff recommended a mid-year adjustment in the landing fee rates effective October 1 sufficient to at least recover the landing fees owed by Midway at the time of its bankruptcy filing on August 13 that were not recovered by executing on Midway's letter of credit. For carriers in Terminal A, the fee would increase from \$0.8546 per 1,000 lbs landed weight to \$1.0715 per 1,000 lbs. The landing fee for the carriers in Terminal C and those using the North Cargo apron would increase from \$0.8477 per 1,000 lbs landed weight to \$1.0663 per 1000 lbs. The termination of all Midway service as of September 11, service reductions by other carriers subsequent to that date, and the lack of any service between the morning of September 11 and the following Friday will mean that a substantial part of the fiscal year's airfield costs will not be recovered this year in spite of this action. The unrecovered portion of those costs, including interest on the deficiency, will be added to the amount to be recovered next year or over the next two years. The Committee recommended a mid-year adjustment in the landing fees to be effective October 1 as proposed by staff.

Member Winston made a motion, seconded by Member Teer, to approve the mid-year adjustment in the airline landing fees to become effective October 1, 2001. Adopted.

2. Report on Salary Comparability Study by Billings & Associates and consideration of a general salary adjustment to be effective September 24, 2001. Deputy Director, Finance, Business & Administration Gill reported on the results of the annual salary market comparability study conducted by Billings & Associates. The Authority requested that a labor market comparability study, also referred to as a salary survey, be prepared each year to ensure that the salary ranges for all position classifications are competitive with those of other entities. The Cities of Raleigh and Durham, the Counties of Durham and Wake, and the Town of Cary each recently implemented a salary schedule adjustment between 2 and 3%. Mr. Billings recommended that the Authority increase the pay plan by 2.5% to reflect the market changes this year. This adjustment is not related to merit increases for superior performance. The Committee recommended that the salary schedule be adjusted upward by 2.5% effective September 24, 2001, which is the beginning of a pay period.

Member Winston made a motion, seconded by Member Teer, to approve a 2.5% increase in the salary schedule effective September 24, 2001. Adopted.

3. Consideration of a new Official Depository designation. The Authority has maintained its primary banking relationship with Wachovia Bank since the 1980s. That relationship has been satisfactory and at a low cost to the Authority. Whereas the Authority 20 years ago was a relatively small account and user of simple and traditional banking services, that is not the case today. The Authority is a big account and uses a wide range of banking products and services to operate fully and efficiently. First Union and Wachovia Bank announced a planned merger of the two banks in the spring of 2001. As a result of this planned merger, staff began investigating a transfer of the Authority's primary banking relationship. Past relationships with First Union have been less than satisfactory. First Citizens Bank offers additional services, including but not limited to, armored car service to pick up and transfer daily cash deposits from parking to the bank depository. Not only will this offer greater security, but it also will eliminate the one-hour plus each weekday that a parking supervisor or office manager and an RDU law enforcement officer and vehicle spend transporting the deposit to a Wachovia branch. After reviewing our operation, First Citizens suggested that service and offered to provide it at no additional cost, something Wachovia had never suggested nor offered. Finance staff and First Citizens operating staff have collaborated in preparing for the transfer and plan to begin it the first of October and have it completed shortly thereafter. Staff believes the relationship will be excellent for both organizations. N.C.G.S. 159-31 requires the Authority to designate an Official Depository. Wachovia Bank will continue to be designated as an Official Depository. The Committee recommended designating First Citizens Bank as the primary Official Depository for the Airport Authority.

Member Winston made a motion, seconded by Member Lane, to designate First Citizens Bank as the primary Official Depository for the Airport Authority. Adopted.

4. Consideration of an adjustment in the capital budget for project RDU# 080439, Airside/Landside Pavement & Drainage Repairs. Deputy Director, Facilities Engineering & Maintenance Pittman advised that the repairs to West International Drive (Tunnel Road) exceeded the funds budgeted for that item by approximately \$185,000. A budget increase is necessary due to the large amount of unanticipated pavement repair work made necessary by either premature failure of pavement structures and/or unforeseen site conditions discovered during the repair work. An additional \$17,000 is needed to complete drainage repairs on the airfield and at the Aviation Parkway Bridge. An additional \$90,000 is required for architectural and engineering services to complete design of the Rental Car Road rehabilitation, construction administration and resident inspection services to complete rehabilitation of International Drive and Rental Car Road, and design and inspection of crack sealing on Runway 5R-23L. An additional \$175,000 is needed for crack sealing on Runway 5R-23L. The Rental Car Road rehabilitation is estimated to cost approximately \$310,000. The current budget for this project is \$1,500,000. A budget increase of \$550,000 is requested in order to complete the tasks contained in, or added to, the project this fiscal year, resulting in a new budget amount of \$2,050,000. The Committee recommended a budget adjustment of \$550,000.

Member Winston made a motion, seconded by Member Lane, to increase the capital budget by \$550,000 to provide the necessary funds to complete the Airside/Landside Pavement and Drainage Repairs.

Adopted.

5. Consideration of the Authority becoming a member of the Greater Triangle Regional Council. Airport Director Brantley reported on a request by the Greater Triangle Regional Council that the Authority become a member. The Council was organized as an outgrowth of the Triangle J Council of Governments' second World Class Region Conference, held in 1992. The Council is a cross section of regional leadership from the business, government, academic and civic arenas. Its purpose is to set strategic long-term direction for the region; consider ventures needed to achieve success; identify resources needed to undertake the ventures; and facilitate the teamwork to see that the ventures are implemented. Annual dues are \$2,000. The Council approached Member Winston nearly two years ago when he was Chairman of the Authority about representing the Authority, and Member Winston agreed to serve. The Council took that acceptance as meaning the Authority would pay its dues. No membership invitation was ever extended by the Council to the Authority as an organization. In order for the Authority to pay the dues, it must agree to accept membership in the Council. The Committee recommended that the Authority become a member of the Council.

Member Winston made a motion, seconded by Member Toler, that the Authority formally become a member of the Greater Triangle Regional Council. Adopted.

**LAND & DEVELOPMENT COMMITTEE** – Member Teer reported the Committee met on September 20, 2001 and discussed the following items:

1. Explanation of Construction Change Directives as they apply to current and upcoming Authority projects. Attorney Tatum reported on adaptation of certain new AIA documents for use in Authority construction contracts. Those documents permit the issuance by the owner of a Construction Change Directive (CCD) when either additional or modified work is necessary and the owner and the contractor are not in full agreement as to time and/or cost, thus permitting a Change Order to be executed. A CCD must have the signature of the owner, the construction manager and the architect or engineer, and is not valid without all three signatures. The contractor is not required to sign the CCD as it essentially is an order to perform work. In the past, the Authority has not used construction managers, nor have CCD documents been utilized. No contract agent has the authority to expend Authority funds, commit to expend those funds, or extend the contract time. The project manager does not have the authority to approve change orders. The Airport Director can authorize change orders up to \$100,000. In the past, in an effort to keep work progressing in the field, change orders sometimes have been executed after the work has been performed. Issuance of CCDs will benefit both the Authority and the contractor and will document the Authority's current practices. The Committee recommended retaining the Airport Director's authorization limit of \$100,000; increasing the aggregate amount of change orders and construction change directives the Airport Director can authorize in a monthly cycle to \$500,000; requiring that the Land & Development Committee Chairman and the Authority Chairman approve in advance any construction change directive that is estimated to exceed \$100,000, and requiring that all such actions be reported to the full committee, and subsequently to the full Authority, for review and approval.

Attorney Tatum advised that the Airport Director has the authority to execute change orders up to

\$100,000. He suggested that authority be extended to include change orders and construction change directives up to an aggregate amount of \$500,000 in any one month upon consultation with and with the concurrence of the chairman of the Land & Development Committee and the Authority chairman with respect to any construction change directive estimated to exceed \$100,000. The change orders and construction change directives would then be reported to the Authority at the monthly meeting. Staff is trying to formalize the process in accordance with the Authority's current practices.

Member Teer made a motion, seconded by Member Winston, to increase the Airport Director's authority to execute change orders and construction change directives to an aggregate amount of \$500,000 during any one-month time period; to require that the Land & Development Committee Chairman and the Authority Chairman review and approve in advance any construction change directive that is estimated to exceed \$100,000; and to require that all such actions be reported to the full committee, and subsequently to the full Authority, for review and approval. Adopted.

2. Consideration of a Change Order with Archer-Western Contractors, Ltd. for project RDU #070319, Parking Garage 4 & Airline Warehouse/Commissary Buildings. Program Manager Quesenberry reported on a proposed Change Order with Archer-Western Contractors, Ltd. The Change Order authorizes an increase in the Contract Amount and an increase in the Contract Time for interim completion dates for performance by the Contractor of additional work related to provisions of temporary communication facilities, such as maintaining operation of existing communication systems in the terminal area. This Change Order also authorizes an increase in Contract Amount for performance of additional work related to rerouting irrigation systems to facilitate construction activities, as well as modifications associated with site electrical construction. The Contract Amount will be increased by \$182,671.95 from \$102,860,025.33 to \$103,042,697.28. The Contract Time will increase as follows: Interim Completion of Parking Garage 4, Phase 1, Operations Center Site Work and Interim Plaza will increase by 26 days, which will revise the Interim Completion Date from November 14, 2002 to December 10, 2002. The Interim Completion of Multipurpose Building 1R will increase by 17 days, which will revise the Interim Completion Date from June 11, 2002 to June 28, 2002. The Committee recommended approval of the Change Order with Archer-Western Contractors, Ltd.
3. Consideration of a staff recommendation for selection of an architectural/engineering consultant for project RDU #070369, New Authority Operations Center. Senior Program Manager Edmondson reported on the selection of a firm to provide architectural and other professional services for development of the new Authority Operations Center. The operations center project includes construction of a 50,000 s.f. multi-story office building to accommodate Parking, Ground Transportation, Law Enforcement, Operations, Security Systems, Communications, Operations, and other functions. The Request for Proposals was issued to 219 firms, and 17 firms submitted proposals in response to the solicitation. On August 23 and 24, 2001, staff conducted interviews with six firms: Cherry Huffman Architects PA; HagerSmith Design; NBBJ; ObrienAtkins Associates, PA; PBC&L Architecture; and The Freelon Group. All interviewed firms presented teams in which the proposing firm acts as the prime consultant with other firms as sub-consultants for project elements. The services to be provided by the selected firm include design development services and preparing construction contract documents for the operations center. The selected firm will provide all architecture, engineering and other related professional services

required for the building. Criteria used to rank the top three firms included review of the proposals, responsiveness to the stated requirements, qualifications and experience of the proposed project manager and other key personnel, qualifications and experience of the proposed firms sub-consultants, previous experience on similar projects, perception of and approach to the project, and results of the interviews. The Committee recommended that O'Brien/Atkins, PA be selected to provide architectural and other professional services for the New Authority Operations Center.

4. Consideration of a Change Order with Barnes and Powell Electrical Company for project RDU #080269, Surface Movement & Guidance Control System. Deputy Director, Facilities Engineering & Maintenance Pittman reported on a proposed Change Order with Barnes and Powell Electrical Company for installation of fiber optic cable. This Change Order pertains to providing communications, security, and data transmission access to the new Authority Maintenance Facility and allowing a more reliable means of connecting the Operations Division's central communications system with the Apex tower facility. The cable also will provide future access for systems located at Park & Ride Lot 3. The installation will eliminate the use of "copper" communications and security wiring currently being used, and planned for future use, southeast of Runway 5R-23L. Completion of the communications portion of this installation will eliminate current yearly charges of approximately \$7,000 in use fees and maintenance costs. The Change Order work is not AIP grant eligible. Total compensation to the contractor for the work under this Change Order is \$160,000. The contract completion date will be extended approximately 30 days to February 23, 2002. The Committee recommended approval of the Change Order with Barnes & Powell Electrical Company, Inc.

Member Teer made a motion, seconded by Member Winston, to approve the recommendations of the Land & Development Committee on Items 2, 3 and 4. Adopted.

**PERMANENT NOISE MONITORING SYSTEM POLICY** – Noise Officer Tovar reported that the Aircraft Noise Abatement Committee recommended implementation of a Permanent Noise and Operations Monitoring System several years ago. The Authority referred this matter to staff for review and recommendation, and staff recommended objectives for implementation and operation of the system. The Authority adopted those objectives. The Noise Abatement Committee then made comments on those objectives and recommended removing policy-related statements from the objectives. Staff agreed with this recommendation. Staff prepared a separate list of objectives, which the Authority then adopted. Staff also has prepared for consideration a separate document addressing policy-related matters. The policy addresses siting of noise monitors, use of collected data, and making collected data available to the community. Staff recommended adopting the policy entitled Policy of the Raleigh-Durham Airport Authority for Implementation and Operation of a Permanent Aircraft Noise and Operations Monitoring System.

Member Sparrow asked the cost of the system. Noise Office Tovar responded that specific costs were not yet available because the technical performance specifications were still in draft form. Member Lane asked if the Aircraft Noise Abatement Committee had reviewed the final policy. Noise Officer Tovar said the Committee had not seen the policy. Member Lane suggested the Committee review the policy prior to adoption by the board. The policy was referred to the Aircraft Noise Abatement Committee for

review. Upon review by the Committee and consideration of its comments by staff, the policy will be brought before the Authority to be considered for adoption.

**MEMBER COMMENTS/REPORTS** – Member Teer expressed his gratitude to the Authority staff for their excellent work during the time the Airport Director and board members were out of the country.

Member Sparrow expressed concern about the Authority's budget and requested the Authority review current expenditures and future capital projects in light of the slowdown of airline traffic. Member Winston commented that some of those issues were addressed in the Law, Finance & Personnel Committee meeting. Staff has crafted a plan of action that minimizes expenditures where appropriate, maximizes human resources without staff reductions, and evaluates capital projects for viability, among other strategies to offset the financial impacts.

Member Toler commented on Deputy Airport Director Shackelford's stellar leadership during the past week. The manner in which the Authority staff came together as a team and responded to the crises was fabulous. Member Toler was with Airport Director Brantley in Montreal and observed the high degree of confidence the Airport Director placed in his staff. Member Toler was also very pleased that Reverend Stiles was on duty during the crises.

Member Winston echoed the sentiments of the members, stating that staff did an excellent job in a very difficult environment. The Authority has a lot of work to do, but is most definitely up to the task. Because the Authority has been managed in a conservative financial manner, this crisis should not be catastrophic to its financial operations.

Member Lane thanked Deputy Airport Director Shackelford for his professionalism in bringing the Airport back on line with the new FAA-imposed security guidelines. It was a tremendous job well done. It was very trying time, very difficult and very hectic, but staff got the job done. Member Lane expressed pride in being a part of this organization.

**GENERAL COUNSEL'S REPORT** – Attorney Tatum had no comments at this time.

#### **AIRPORT DIRECTOR'S REPORT** –

Airport Director Brantley advised that in the aftermath of September 11, 2001, there are several items that will be impacted through the end of the fiscal year. Without adjusting the landing fee, the \$7.575 million annual airfield costs will be under-recovered by approximately \$1.6 million due to lack of payment by and the failure of Midway Airlines, stoppage of airline flights for more than four days, and flight schedule changes. An adjustment in the landing fee is necessary to begin recovering a portion of the airfield costs. Further decline in passenger activity, already affected by the declining economy for the past year, will occur, particularly over the last two-thirds of September. Fewer passengers will result in reduced public parking and car rental activity, the two largest sources of revenue, and reduced purchasing in the terminal food/beverage and merchandise concessionaires' businesses. There will be added costs for law enforcement/security/traffic control operations due to FAA-mandated "security enhancement" actions. A substantial imbalance between use of and activity in Terminal A versus that in Terminal C now exists (approximately 75% of the continuing scheduled flights use Terminal A and approximately 25% use Terminal C), heavily impacting concessions.

Construction continues on the new parking deck. The entirety of the deck is more than 300 feet from the terminal curb and all spaces will be usable. Construction on surface parking continues as well. The question arises as to how much parking will be needed in the future. It is uncertain, given the current reduction in air travel.

Actions being taken by staff to offset the financial impacts include the following:

- 1) Increasing the airline-landing fee effective October 1<sup>st</sup> through the end of the fiscal year from \$0.85 per 1,000 lbs. of maximum gross FAA-certified aircraft landed weight to \$1.07. This is necessary in order to recover the landing fees owed by Midway for the period April 1 through August 13 that weren't recovered from its letter of credit (approx. \$600,000; Midway paid landing fees from August 14 through September 11 in cash.) Landing fees that would have been paid by Midway over the balance of the fiscal year had it continued in operation will have to be recovered over the next fiscal year(s) through additions to the airfield cost.
- 2) Reevaluating expenditures on capital projects over the balance of the fiscal year. By curtailing some planned equipment acquisition and reducing the scope of one project, and due to slower than anticipated progress on other projects, staff is confident that spending on capital projects during the year will be at least \$7 million less than budgeted.
- 3) Closing the entrance to Park & Ride Lot 2. The lot will be fully closed as it is emptied and the bus service to it terminated (only one-half of the 1,000 spaces have been usable for the past year). Park & Ride Lot 4 also will be closed to regular use and used only during the upcoming year-end holiday periods (all bus service to that lot will not be terminated as part of the lot is used for employee parking). The cost savings from these actions, from reducing main plaza staffing due to serving 25% fewer spaces and the lower volume of activity, and from reducing third shift inventory staffing due to having fewer cards to inventory are estimated to exceed \$750,000 over the balance of the year.
- 4) Freezing eight (8) unfilled staff positions, exchanging one current position for one of the six (6) positions that already were frozen at the beginning of the year, and unfreezing another of those six positions (total savings will be about \$150,000). There are fourteen (14) positions for which recruiting is in process and will continue.
- 5) Curtailing staff travel and conference/seminar attendance.
- 6) Cross-training cashiers and bus drivers to augment the law enforcement efforts in traffic management, dispatching ground transportation, and assisting in curbside patrols. This effort will allow the Authority to retain personnel knowledgeable of the Airport, and will negate any need to furlough employees.

Staff will continue to reevaluate the situation, particularly parking needs. The Authority has suffered a very hard hit in terms of parking. 1,700 spaces in the terminal area are not usable as a result of the FAA-mandate that there be no parking within 300 feet of the terminal. This has resulted in a complete loss of Parking Garage 1; one-fourth of the spaces in Parking Garage 2, and the hourly surface parking in front of Terminal A. There has been no loss of use in Parking Garage 3. Most airports have structural parking facilities within 300 feet of the terminal, and face similar challenges. Consideration has been given as to how parking can be reconfigured to regain use of the spaces.

All air carriers are operating most of their flight schedules, with the exception of services to Washington Reagan National, which remains closed. Reagan National may reopen in the near future on a limited basis. Several RDU flights to LaGuardia remain grounded, but should be restored in the future. Most of



the air carriers are reporting load factors at or above 50%. It appears from a passenger standpoint that traffic is coming back, with some reports of full flights. This is very encouraging. Staff is very confident that savings accumulated on reduced spending on capital projects and in other areas will more than offset any loss in revenues through the balance of the fiscal year.

Member Sparrow asked how these changes would affect progress in the general aviation area. Airport Director Brantley responded construction of the general aviation projects would continue as planned. The FAA has not allowed any part of general aviation to resume operations except aircraft and flight crews that are instrument flight rated. Flight instruction and patrol-type activity have not resumed. Agricultural activity is allowed outside the terminal control areas. These actions impact the smaller airports more so than RDU.

- Enplaned passengers for August 2001 totaled 432,828 versus 455,362 for August 2000 for a 5.0% decrease. Year-to-date 2001 enplaned passengers totaled 3,631,295 versus 3,447,639 for year-to-date 2000 for a 5.3% increase.
- Deplaned passengers for August 2001 totaled 458,276 versus 467,129 for August 2000 for a 1.9% decrease. Year-to-date 2001 deplaned passengers totaled 3,641,495 versus 3,487,289 for year-to-date 2000 for a 4.4% increase.
- Enplaned air cargo for August 2001 totaled 10,378,908 pounds versus 11,819,834 pounds for August 2000 for a 12.2% decrease. Year-to-date 2001 enplaned air cargo totaled 83,579,640 pounds versus 84,964,923 pounds for year-to-date 2000 for a 1.6% decrease.
- Deplaned air cargo for August 2001 totaled 11,487,685 pounds versus 12,610,643 pounds for August 2000 for an 8.9% decrease. Year-to-date 2001 deplaned air cargo totaled 85,170,768 pounds versus 88,317,332 pounds for year-to-date 2000 for a 3.6% decrease.
- Weekday scheduled flight departures for August 2001 totaled 313 versus 297 for August 2000 for a 5.4% increase.
- Aircraft operations for August 2001 totaled 25,434 versus 25,807 for August 2000 for a 1.5% decrease. Year-to-date 2001 aircraft operations totaled 201,005 versus 195,532 for year-to-date 2000 for a 2.8% increase.
- The number of vehicles exiting the terminal area public parking lots during August 2001 totaled 237,724 versus 216,738 for August 2000 for a 9.7% increase. The year-to-date 2001 number of vehicles exiting the terminal area public parking lots totaled 1,714,770 versus 1,552,232 for year-to-date 2000 for a 10.5% increase.
- The number of taxicab trips taken during August 2001 totaled 11,106 versus 13,357 during August 2000 for a 16.9% decrease. The year-to-date 2001 number of taxicab trips taken totaled 92,196 versus 95,592 for year-to-date 2000 for a 3.6% decrease.
- Airline load factors for the month of August were very good except for that of Midway Airlines.
- The Bush Administration and the airlines have reached an agreement on the legislative package

for federal aid to airlines, which included \$3 billion for airline and airport security initiatives. Hopefully, a portion of the funding will be earmarked for equipment and manpower. Specific details were not available.

- The federal government continues to discuss the possibility of assuming responsibility for all security functions at airports. A bill is being drafted in Congress that would increase the number of armed guards in airports and on airplanes.
- American West deferred the start of new service at RDU from October 28, 2001 to January 4, 2002. If and when service begins, America West plans to add one more city than originally scheduled.
- Southwest will begin nonstop service to Phoenix on October 7. Southwest has not reduced any flight operations, and no employees have been furloughed. Recently, Southwest has been the leader in load factors.
- One-half of all available parking at RDU is in use at the present time. 60% of the spaces in Parking Garage 3 are occupied. Open spaces on the Terminal C side are 80% occupied.
- Those customers whose vehicles were in the parking facilities from September 11 through September 14 were granted relief from parking fees during that period. As of the beginning of the week, 6,600 customers' fees had been adjusted, with a total customer savings of approximately \$130,000. The decision was well received by the public.
- Payne Webber reported that the Authority's bonds were in good shape. The Authority should have no difficulty paying its debts.
- The aviation insurance industry is eliminating war risk coverage for all airlines. There is very little the Authority can or should do in response to this. The Authority should not deny operations based on this action by the insurance industry.
- Construction of new concessions in Terminal C is being curtailed. Construction will continue as planned in Terminal A.
- Reverend Stiles will hold a service on Friday, September 21 at 1:00 pm in Terminal C for the United and American Airlines employees. Everyone is invited to attend.
- Deputy Airport Director Shackelford thanked the board for their kind words. Truly, the kind words go to the Authority staff. Staff did an outstanding job and rose to the occasion with a severe challenge before them. He was extremely proud of everyone. The Cities of Raleigh and Durham, the Towns of Cary and Morrisville, and the Counties of Durham and Wake provided additional resources during the crises. Challenges continue to arise as a result of no parking on the terminal curb, and change from day to day. Operations have been affected in a wide variety of ways. The issues are not yet settled, and restrictions will be lifted when possible. Board members may hear concerns about changes to customer services. Processes and procedures will not be discussed in public. If members are interested in specific details, he will be happy to

discuss them in private. Since the elimination of curbside check-in, skycaps have refocused efforts on assisting customers with getting baggage to outlying parking lots.

**ADJOURNMENT** - There being no further business, Chairman Gibbs adjourned the meeting.

Respectfully submitted,

J. Ray Sparrow, Secretary

CORRECT ATTEST:

Kenneth D. Gibbs, Sr., Chairman